

## **V. Transfer Of Historic Preservation Funds To CLGs**

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### **A. A share of the Historic Preservation Fund allocation to Montana must be available to CLGs on a matching basis for historic preservation activities and projects.**

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In establishing a partnership between federal, state, and local governments, the National Historic Preservation Act, as amended (16 USC 470 et seq.) requires that Historic Preservation Fund grants be matching grants. Underlying this requirement is the need for each of the partners to share the costs of historic preservation. Matching grants ensure that there is strong state and local commitment to projects and result in more historic preservation work being performed than if federal funds alone were involved.

The state will notify the CLG annually with the match requirement. Currently, SHPO provides sixty percent (60%) funding to the forty percent (40%) match generated by the CLG and expects that the match requirement will remain stable unless federal or state allocations change substantially.

At present, federal law provides that at least ten percent (10%) of the HPF allocation to the state be set aside for transfer to CLGs. At such time as the Congress may appropriate more than sixty-five (\$65) million dollars to the HPF, a different distribution formula will be in effect, resulting in a proportionately larger share of the state allocation to CLGs.

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### **B. Eligible CLGs, with an adequate financial management system, may receive a portion of the local share of the Historic Preservation Fund allocation to Montana.**

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The National Park Service requires that CLGs:

1. Meet federal standards of the Office of Management and Budget Circular A- 102, Attachment G, "Standards for Grantee Financial Management Systems."
2. Are auditable in accordance with General Accounting Office's "Standards for Audit of Governmental Organization Programs, Activities, and Function."
3. Are periodically evaluated by the SHPO. The SHPO acknowledges responsibility for the proper accounting of the CLG of the Historic Preservation Fund monies in accordance with OMB Circular A-102, Attachment P, "Audit Requirements."
4. Adhere to all requirements of the Historic Preservation Fund Grants Manual and the Montana Certified Local Government Manual.
5. Adhere to any requirements mandated by Congress pertaining to the Historic Preservation Fund.
6. SHPO may deny funding to a CLG on probationary status, and must deny funding to a decertified CLG.

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### **C. The CLG must adhere to the timetables prescribed by SHPO for CLG funding.**

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1. Each year, the National Park Service notifies the state of projected or actual annual allocation. The SHPO will notify the CLG, in writing, of the amount of funds pending or available for transfer and solicit applications for that funding. While the CLG cycle is subject to change, generally the SHPO notifies the CLG of the projected or actual allocation in December.

2. Within sixty (60) days after the date of written notice of funding availability, the *CLG* must submit completed applications for funding assistance to the SHPO.
3. Within thirty (30) days after the SHPO receives the *CLG*'s completed application for funding assistance, the SHPO will notify *CLGs* of grant awards.



*Figure 11. Wurtz Homestead, Flathead County.*

4. Submissions received by SHPO after the deadline may be returned un-reviewed and unfounded, depending on the circumstances.
5. *CLGs* that receive an Historic Preservation Fund grant will be considered subgrantees of the state.
6. Expenditure of *CLG* funds must wait until the grant agreement between the SHPO and the *CLG*'s chief elected official, or legal representative, is signed before starting work on any project. Unless specifically authorized in writing by SHPO, costs incurred prior to execution of the written agreement will not be paid.
7. *CLG* grants are reimburseable grants. *CLGs* must first pay the project costs and then submit a request to SHPO for the reimbursement. Consequently, the *CLG* must have enough money "up front" to be able to carry the project (including paying contractors) until it gets reimbursed.

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#### **D. The SHPO must award grant funding to an eligible *CLG* on a competitive basis.**

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Grant awards will be based on sound application and/or the proven effective administration of an established and local preservation program that emphasize:

- Completion of local survey;
- Completion of National Register evaluations and nominations;
- Protection (physical or legal) of significant historic or prehistoric properties;
- Integration of historic preservation goals with the community's planning process;
- Increasing the effectiveness of the local government in addressing historic preservation issues and need;
- Increasing the community's awareness and understanding of historic preservation values.

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**E. Every CLG in good standing is eligible to receive funding, but no CLG will automatically receive funding.**

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Federal allocations to Montana fluctuates each fiscal year; thus the total amount for CLGs also may change each year.

Currently, SHPO grants each CLG a portion of the CLG funding. The amount of funding per CLGs may drop as a result of adding new CLGs to the program. As federal and state allocations to SHPO rise and fall and state CLG program needs change, SHPO reserves the right to alter the CLG subgrant distribution formula.

Where two or more local governments share the historic preservation commission and local Historic Preservation Officer, SHPO may grant to only one of the participating local government.

If a CLG falls seriously out of compliance, the funds that were earmarked for that CLG may be reallocated to CLGs that are in compliance.

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**F. SHPO will evaluate, select, and fund applications based on criteria.**

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1. An application must clearly state a specific goal or goals that are measurable and attainable within the funding period. The requirement for tangible results may not be waived.
2. A CLG must demonstrate an understanding of state and local preservation priorities.
3. A CLG must assure an acceptable matching share, typically 40%. Transferred monies shall not be applied as matching share for any other federal grant.
4. The amount awarded to an applicant must be sufficient to produce a specific impact.
5. Reasonable efforts must be made to distribute funds among the maximum number of eligible CLGs.
6. The SHPO must insure that no CLG will receive a disproportionate share of the state's Historic Preservation Fund allocation.
7. The SHPO must make available, upon request, the rationale for the applicants selected and the amounts awarded.
8. All responsibilities outlined in the CLG's certification agreement must be included in any grant agreement between the CLG and the SHPO.
9. All funds awarded by the SHPO to the CLG must be used only for activities that are eligible for Historic Preservation Fund assistance and are consistent with the state comprehensive historic preservation planning process.



*Figure 12. Fort Assinniboine, Hill County.*

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## **G. Grant Extensions.**

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If circumstances outside the control of the *CLG* make the terms of the grant agreement unachievable, the agreement may be modified or cancelled by mutual agreement between the SHPO and the *CLG*. The *CLG* must notify SHPO as soon as possible of circumstances needing a grant extension. At the SHPO's discretion, SHPO may grant limited time extensions or amendments to the scope of work and budget.

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## **H. Hiring consultants and contractors.**

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Competitive procurement procedures must be compatible with federal and state requirements.

A certain number of qualified firms or individuals must be contacted to ensure a fair, open, and competitive selection process. Generally, at least three (3) price quotes or bids must be obtained and the process must be documented. Architectural historians, architects, historians, archeologists, and other professionals must meet the Professional Qualification Standards set by the National Park Service. Selection may be based on experience, qualifications, and cost rather than cost alone. The SHPO may require a *CLG* to consult with SHPO before hiring a consultant or contractor. The Subgrant Agreement will outline SHPO contracting stipulations, if any.

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## **I. Indirect costs.**

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Indirect costs of local preservation program management may be charged as part of the *CLG* grant only if the *CLG* sub-grantee meets the requirements of Chapter 12: Cost Principles and Indirect Costs of the Historic Preservation Fund Grants Manual. Unless the *CLG* has current indirect cost rate approved by the advising federal agency, only direct costs may be charged.

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## **J. Historic Preservation Fund grant.**

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An important mechanism to protect historic resources is the Historic Preservation Fund (HPF) grant program. Money is appropriated from the HPF by the US Congress for matching grants to the states for preservation programs that will identify, evaluate, register, preserve, and protect historic properties. Major operational authority has been delegated by the National Park Service to the states, including the selection of projects to fund. Out of each state's allocation, at least ten percent (10%) must be subgranted to *CLGs* in that state.

All activities financed with HPF assistance must conform to the administrative policies, procedures, and guidelines in the Historic Preservation Fund Grants Manual, the Secretary of the Interior's Standards for Archeology and Historic Preservation, and supplemental instructions.

A state's annual apportionment from the HPF must be matched by the state at a ratio of 60% federal share to 40% non-federal. Because only an overall statewide program matching share is required by National Park Service, the amount of matching share for individual activities, projects, and subgrants is dependent on state policy, as long as the state's cumulative matching share requirement is met. The state's matching share may be composed of state, regional, or local government funds, or private dollars, or donated goods, services, or property. Certain non-HPF federal funds, e.g., Community Development Block Grant (CDBG) funds, may also be used in the matching share if the federal program's legislation permits such use.

HPF funds appropriated by Congress are available for spending for two (2) years. At the end of two years, any unspent HPF money is recaptured and returned to the US Treasury. To reduce the amount of money being returned to Treasury, National Park Service established the "Use or Lose" policy. At the end of the fiscal year, states must



close out their books for that year. Uncommitted funds in excess of twenty-five percent (25%) of the state's Historic Preservation Fund appropriation are recaptured and redistributed to other states for their use.

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**K. The Subgrant Agreement supercedes the Montana CLG Manual where the documents differ.**

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Ordinarily Subgrant Agreement and Montana CLG Manual are compatible. But to meet changing needs in the CLG program the program, the SHPO reserves the right to change programmatic, financial, and deadline requirements. Under those circumstances, the Subgrants Agreement supercedes this document.

The SHPO also reserves the right to review and revise this Montana CLG Manual as needed, provided that the CLGs are notified well in advance, and that major changes are approved by the National Park Service.



*Figure 13. St. Francis Xavier Church, Missoula.*